

CUSTOMER INFORMATION FORM ON SALAM CONTRACT

This form was issued for the purpose of providing information to the client under the scope of the communiqué¹ of Banking Regulation and Supervision Agency (BRSA).

1. Contract Type: Salam (Prepaid Forward Sale)

2. Basic Features of the Contract:

A salam contract is a contract based on the forward sale of a certain product in return for a prepayment. Salam contract is available for the standard goods (agricultural products) to be produced and an existing and an already manufactured good cannot be the subject of a salam contract.

In the salam contract, the buyer, the seller (customer/producer), type, nature, title, quantity, desired specifications, price, delivery due date and delivery terms of the goods must be certain, the goods must comply with the principles of participation banking, and the parties must have a declaration of intent (offer and acceptance).

3. Compliance of the Product or Service with the Principles and Standards of Interest-Free Banking:

Salam contract is an emptio venditio and its legitimacy is based on the basic principles of the Islamic law. The transactions made by the participation banks under this scope comply with the principles and standards of interest-free banking.

4. The Capacity of the Customer under the Scope of the Contract:

In the salam contract, the participation bank shall be acting under the capacity of the buyer and the customer shall be acting under the capacity of the seller. In the event there is a subcontract for salam contract, the participation bank shall be acting as the seller and the customer shall be acting as the sales agent of the participation bank.

5. Process and Functioning:

The customer submits its request for financing the goods to be produced to the participation bank. Participation bank allocates a limit for the customer. After the financing request is approved, the participation bank makes the payment of the product subject to production to the producer in advance. The producer delivers the product subject to salam to the participation bank at the end of the specified period. When the participation bank receives the goods subject to salam, it can sell it in cash or on a forward basis, or it can make a subcontract for salam.

6. Contractual Rights and Obligations of the Parties:

Salam contract cannot be cancelled unilaterally. The participation bank shall be responsible for the payment of the cost of the goods to the customer after the duly performed transactions, on the other hand, the customer shall be responsible for the production, delivery and hidden or patent defects of the goods.

The producer of Salam is obliged to deliver such specific product, which it has produced in its own field or obtained from a third party, to the participation bank, in real or legal form. If the goods subject to Salam does not comply with the specifications indicated in the contract, the participation bank has the right to reject the goods or accept them as they are. However, a discount can be made by mutual agreement of the parties. In the event that the producer cannot supply and deliver the goods due to

various reasons, the producer is liable to compensate the price of the salam contract.

7. Rights and Obligations Arising from the Agency Contract (Wakala):

Participation bank may appoint and constitute the customer or a third person as its agent for the purpose of sales related to the purchase of the goods subject to salam in the name of the participation bank.

The agent cannot make any dispositions such as selling, consuming or changing the product subject to salam without the consent and knowledge of the participation bank (buyer).

8. Delivery of the Documents Subject to Purchase & Selling to the Participation Bank:

The customer agrees and undertakes to deliver a copy of the documents (invoice, sales contract etc.) about the purchase and sale of the goods subject to salam and other documents that may be requested by the participation bank within the specified period to the participation bank.

9. Bank practice in case of late payment:

It is in conformity with the principles of interest-free finance to insert an article imposing a delay penalty by the Participation Bank in case of the failure to pay the debts on due dates, however, the participation bank and customers may not benefit from these amounts which are collected as a delay penalty. These amounts collected shall be classified according to the uniform account scheme of the participation bank and evaluated in conformity with the principles and standards of interest-free banking.

10. Corporate Website through which the Customer may obtain more Comprehensive Information about the Products and Services:

You may have access to more comprehensive information about our products and services and permission (ijazah) certificates through the website of our Bank at www.ziraatkatilim.com.tr.

Information Form Delivery Date: /..... /.....

Name/Surname/Title of the Customer :.....

Turkish ID Number/Tax ID Number :.....

(Information may be provided face-to-face and remotely through remote means of communication/in electronic environment/from a distance, and while providing information face-to-face, the expression **“I was provided verbal and written information and my declaration of intent has been received”** must be inserted and undersigned on the information form with your handwriting.)

Seal/Signature:

¹ *Communique on the Principles and Procedures Concerning Providing Information to the Customers & Public under the scope of the Principles & Standards of Interest-Free Banking Published by Banking Regulation and Supervision Agency (BRSA) in the Official Gazette on November 30, 2021.*